

See the Total Economic Impact of **Avalara**TM

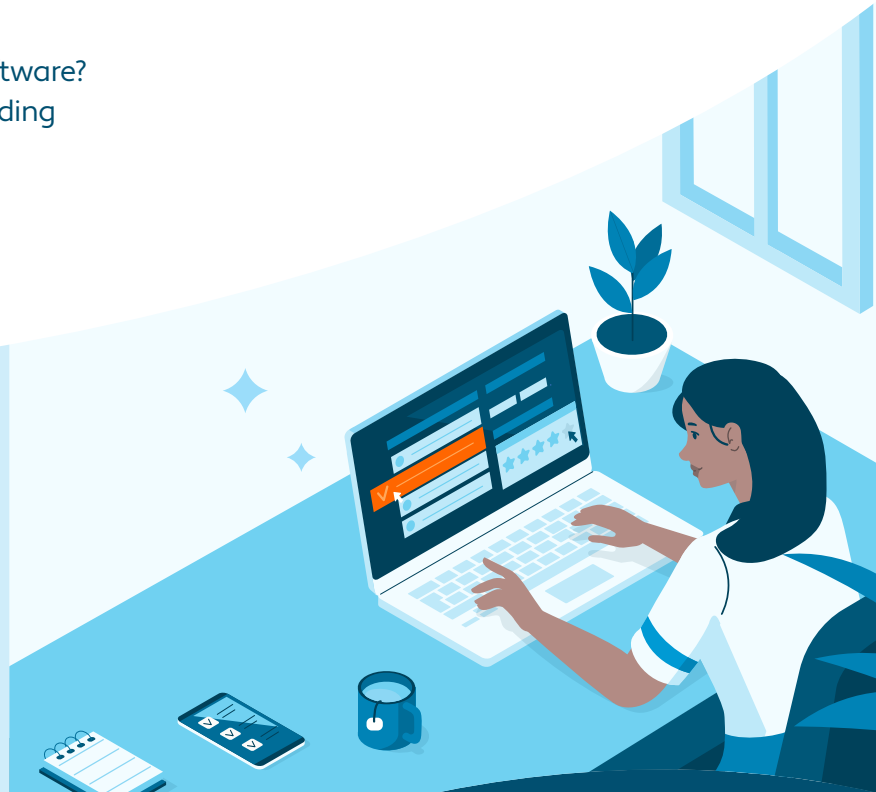
What's the return on investment for your tax software?
Learn the ROI you could see with Avalara by reading
the TEI study from Forrester Consulting.

UNDERSTAND THE ROI OF YOUR COMPLIANCE SOLUTION

When businesses grow, their tax compliance grows more complicated too. This complexity has companies adopting tax compliance software to automate the process for them. Tax compliance software helps make the problem easier, but is it providing a return for your business?

Avalara commissioned Forrester Consulting to conduct a Total Economic ImpactTM (TEI) study that took a closer look at the return on investment (ROI) companies might expect by automating tax compliance with Avalara.

Forrester interviewed six different businesses with experience using a range of tax solutions from Avalara and combined the results to create a single composite organization that uses [Avalara AvaTax](#), [Avalara Exemption Certificate Management](#), [Avalara Managed Returns](#), and [Avalara Tax Research](#). The study determined the ROI experienced by the composite organization based on a three-year, risk-adjusted present value (PV).



◆
NET PRESENT
VALUE (NPV) OF

\$465k

◆
OVER THREE YEARS

The composite organization saw benefits of \$770,000 over three years versus costs of \$305,000 for a net present value of \$465,000.

◆
RETURN ON
INVESTMENT (ROI)

153%

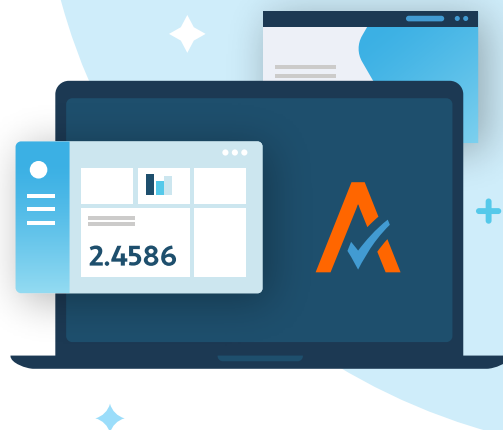
◆
OVER THREE YEARS

With an NPV of \$465,000 to costs of \$305,000 over three years and benefits of \$770,000, the ROI was 153%.

Key findings and benefits

In addition to the challenges of keeping up with nexus and new tax jurisdictions, managing exempt customers became more difficult as businesses expanded.

Storing physical copies of certificates resulted in missing expiration dates or losing certificates entirely. Furthermore, the companies exposed themselves to greater audit risk as a result of this missing information.



Quantified benefits

Among the benefits recorded by the study were several standout areas where Avalara solutions provided meaningful savings. These benefits ranged from less time spent thanks to automation and improved efficiency to cutting down on the need to hire third-party experts.

Risk-adjusted present value (PV) quantifiable benefits from the study included the following:

Streamlining the tax filing and returns process by 85% for a three-year savings of over \$83,000

Cutting 510 hours a year streamlining, managing, and filing tax returns

Eliminating 416 hours of work per year by making sure exemption certificates are completed properly

Improving audit preparation efficiency to 85%, reducing time spent per audit by 34 hours

Saving \$150,000 per year by reducing spending on third-party tax experts

Taking back 384 hours annually by avoiding and recapturing 90% of tax research work

Reaching payback in less than six months

Enjoying benefits of \$770,000 in present value (PV)

Unquantified benefits

Additional benefits that provided value to the interviewed businesses but could not be quantified for the study included the following:

Reducing sales tax liabilities

Making expanding into new jurisdictions easier

Receiving access to reliable expertise

Streamlining processes for salespeople that need to validate certificates

Reducing shipping errors with address confirmation

Focusing on business tasks instead of tax compliance

Improving voluntary disclosure agreement (VDA) processes

Building credibility with customers

Costs

The following costs were considered over a three-year period in helping to determine the ROI provided by Avalara:

AVALARA LICENSING FEES

based on the following parameters:

10,000

annual transactions

2,000

exemption certificates with an additional 100 net-new certificates each year

400

managed returns

ONE

Avalara connector

IMPLEMENTATION COSTS

The study assumes a team working four months on Avalara implementation and optimization plus 30 days troubleshooting the integration.

ONGOING TRAINING AND MANAGEMENT COSTS

The study assumes a senior tax manager from the composite organization dedicating two weeks to learning the solution and an accounts receivable specialist dedicating a full day to learning Avalara Exemption Certificate Management. These employees would dedicate one hour per quarter learning updates and 10 hours per year for one employee to fine-tune the system.

The costs over three years totaled \$305,000 compared to experienced benefits of \$770,000 during the same time frame. This added to an NPV of \$465,000 and a 153% return on investment.

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“When I’m not on Avalara, we’re – on a good day – only 25% to 30% compliant. And when you get on Avalara, you’re probably 95% to 100% compliant. That’s the big difference to me.”

–Senior tax director, manufacturing

Learn the ROI your business could see with Avalara

Your tax solution should do more than simplify and improve your compliance process. It’s important that your solution is improving the process while also providing a return for your business. Learn more about the ways Avalara can help your business save, both in quantifiable numbers and intangible benefits.



Get your copy of
The Total Economic Impact™ of Avalara study
and see how the right solution can improve both your compliance process and the bottom line.